

California Uniform Construction Cost Accounting Commission

Linda Clifford
Contractors State License Board
Appointed
Chair-CUCCAC

Will Clemens
Central Service Department
Director
County of San Luis Obispo
Counties
Vice-Chair-CUCCAC

Guiselle Carreon
Commercial Warrants and Accounts
Payable Manager
San Diego Office of Education
Secretary-CUCCAC

George Hicks
Director of Public Works
City of Fairfield
Cities

Steven L. Hartwig
Deputy Public Works Director
City of American Canyon
Cities

Jeff Armstrong
Apprenticeship Director
Northern CA Laborers' Union
Labor

Cesar Diaz
Legislative Director
State Building and Construction
Trades Council
Labor

Eddie Bernacchi
President
NECA, Politico Group
Subcontractors

Robert R. Campbell
Auditor-Controller
County of Contra Costa
Counties

Paavo Ogren
General Manager
Oceano Community Services
District San Luis Obispo County
Special Districts

Michael R. Hester
President
McGuire and Hester
Subcontractors

Nathaniel Holt
Director of Purchasing and Capital
Facilities
Pomona Unified School District
School Districts

David Cruce
Area Manager
Papich Construction Co., Inc.
General Contractors

Ken A. Kayser
Construction Consultant
General Contractors

April 17, 2017

Mr. Daniel Alvarez
Secretary of the Senate
State Capitol, Room 3044
Sacramento, CA 95814

Mr. E. Dotson Wilson
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, CA 95814

RE: Annual Report to the California State Legislature for 2016

Dear Members of the Legislature,

In accordance with Public Contract Code (PCC) §22017(d), the activities and operations of the California Uniform Construction Cost Accounting Commission (Commission) for 2016 are listed below.

The Commission is tasked to provide technical support to public agencies by prescribing uniform construction cost accounting procedures for those agencies who opt into the "Uniform Public Construction Cost Accounting Act" (Act), pursuant to PCC §22010. The Commission works to ensure the equitable application and compliance of the Act by reviewing public complaints and recommending audits when the criteria of the Act are not fulfilled. The Act promotes statewide uniformity of cost accounting standards and flexibility in bidding procedures on construction work performed or contracted by public entities in California.

This results in cost savings and improved efficiency to public agencies in the bidding, award, execution and completion of public works projects. In addition, the Commission conducts meetings open to the public, provides a manual for use by public agencies signatory to the Act and maintains a Commission web page on the State Controller's Office (SCO) website. Commissioners also facilitate and participate in outreach and training to participating agencies, candidate agencies, and professional organizations.

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Annual Report as follows:

- The Commission met on January 28, 2016; April 8, 2016; July 8, 2016 and November 7, 2016. The first two meetings were chaired by George Hicks, representing Cities. The last two meetings were chaired by Linda Clifford, representing the California State License Board.
- Eighty-three (83) new agencies have opted into the Uniform Public Construction Cost Accounting Act, bringing the number of agencies participating in the Act to 1040. The Commission initiated an informational welcome letter in 2016 in order to make the transition into the Act smoother for public agencies and to provide immediate direction to resources to get questions answered as the agencies begin using the guidelines of the Act.

- The Commission responded to forty-six (46) public agency inquiries outside of normal meetings. This indicates the level of importance, public agency interest and dependence upon the ongoing technical support the Commission provides annually to its participants.

- The Commissioners volunteer their personal time to make presentations at various annual public agency meetings, including the annual State Controller's Conference with County Auditors which has been attended by two or three Commissioners for the last two years.

Commissioners Hicks and Clifford made a presentation to SamTrans for their consideration of opting into the Act in late 2016. Commissioner Carreon made numerous presentations to special districts, primarily, school districts, resulting in the 1,000th agency opting into the Act in late 2016. Other commissioners have attended association meetings for their constituencies and made presentation about the Act.

- The Commission continues to be concerned that the lack of adequate and stabilized funding hampers the Commission's ability to fully implement the statutory requirements of the Act. In response, the Commission Chair appointed a subcommittee to review the feasibility of an annual registration fee. After review by various agencies, the subcommittee recommended seeking an alternative funding avenue to provide continued support to informing and training participating agencies as well as conduct audits in a timely manner.

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- The Commission Chair established a subcommittee to update the manual, which provides direction to the users of the Act. The subcommittee was directed to review specific subsections of the Public Contract Code (PCC) which impact the effort of the Commission and the governance of the Act.

The work by the subcommittee included both legislative and administrative changes. For example, clarifying language was added to the bylaws with regard to resignations, vacancies, and absences. These changes will assist with keeping the Commission fully populated, provide for orderly transitions, and allow the Commission to effectively carry out its responsibilities. Most of the requested legislative changes were adopted in the 2014-15 legislative session and became effective on January 1, 2016.

Additional updates and proposed changes to the PCC continue to be under review by the Commission and will be submitted to the Legislature for review in the 2015-16 legislative session as needed.

Respectfully submitted,

Lj Clifford

Linda Clifford, Chair
California Uniform Construction Cost Accounting Commission

cc: State Controller's Office